



U.S Representative

Bernie Sanders

A Special Focus On Labor Issues



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Congress of the United States

House of Representatives

Washington, DC 20515

DEAR FELLOW VERMONT,

The great story of the last twenty years, largely ignored by the corporate media, is the decline of the middle class and the fact that the average American is working longer hours for lower wages. While we hear a great deal in the media about the supposedly "booming" economy - with low unemployment, record corporate profits and stock prices, and soaring CEO compensation, the economic reality for most Vermonters is quite different.

Over the past 25 years, American workers have seen a 15 percent reduction in real wages. In order to compensate for the decline in wages, the working men and women of this country are now putting in longer hours than ever before in order to earn the income they need to pay the bills. With the average American worker now working 160 hours a year more than 20 years ago, many have become brutally acquainted with the rise of 10- and 12-hour days and the seven-day work week. Further, millions have lost health and pension benefits and are experiencing deep job insecurity as more and more corporations downsize. **A well documented study released by the Burlington based Peace & Justice Center found that over 50,000 working Vermonters do not earn enough to meet their basic needs.**

While working families in Vermont and throughout the country are struggling to pay the bills, the very wealthiest people in this country have never had it so good. In the last 15 years, ninety-nine percent of the new wealth created in America has gone to the top 20 percent of all households. The top 1 percent, by itself, has claimed 62 percent of the new wealth. **Incredible as it may seem, Microsoft founder Bill Gates, who is worth roughly \$40 billion, now owns more wealth than the bottom 40 percent of America's households.**

The "new economy" adds up to an ever-widening gap between the rich and the poor. The bottom 40 percent of American households now have an average net worth of less than \$1,000 (in 1995 dollars), while the top one percent of households average \$7.8 million in net worth. Today the United States has, by far, the most unequal distribution of wealth and income in the industrialized world. While over 20 percent of our children continue to live in poverty, and millions of senior citizens cannot afford the prescription drugs they need, the number of American billionaires increased from 13 in 1982 to 170 last year. **Major company CEOs now earn over 200 times what their employees make.**

There is some good news. There is a resurgence of the labor movement in this country as unions are devoting more of their resources to union organizing— and are aggressively pursuing a fairness agenda. With union workers earning 20 percent more than those not in unions, this effort is an important step forward. Further, the workers of this country won a major political victory last year when Congress defeated corporate America's desire to expand the disastrous Fast Track proposal. NAFTA has been a failure, and it would have been absurd to expand that proposal to more countries.

While the media remains focused on the current White House controversy, there are issues before Congress that have enormous consequence for working people. I hope this newsletter will better inform you about some of those issues— and about the pro-worker initiatives that I am working on. As a member of Congress with a 100% pro-worker voting record, I look forward to continuing to work with you as we fight for a society in which all of our citizens are treated with respect and dignity.

If my office can answer any questions you might have, please don't hesitate to contact us at 1-800- 339-9834. You can also learn what my office is up to by contacting our web site at www.house.gov/bernie.

Sincerely,

Bernard Sanders
Member of Congress

THE AMERICAN WORKER IN THE GLOBAL ECONOMY



Not long ago, the global economy didn't matter much to the average American. But the North American Free Trade Agreement (NAFTA) and Most Favored Nation status (MFN) with China taught millions of Americans that economic forces beyond our borders can powerfully affect us, helping determine whether our jobs will be moved away, or whether our wages and benefits will be lowered.

One of the great crises facing American workers is "the race to the bottom" within the global economy. As a result of increased capital flow, various "free trade" agreements, and the role of international financial organizations like the IMF, workers in the United States are increasingly having to "compete" with desperate Third World workers in Mexico, China, Vietnam and other countries who are forced to work for wages as low as 20 cents an hour.

Congress must develop economic and trade policies which benefit all Americans, and not just the interests of the CEOs of multi-national corporations. We must develop legislation which increases the standard of living of American workers and Third World workers, not laws which force workers of different countries to "compete" against each other - making everyone poorer in the process.

THE INTERNATIONAL MONETARY FUND (IMF)

As the Ranking Member of the Banking Subcommittee on General Oversight and Investigations, I have been playing a leading role in opposition to the \$19 billion dollar IMF bailout, and to the proposed United States \$18 billion "replenishment" of the IMF.

I regard it as absurd that the taxpayers of this country should fork over billions of dollars to the IMF to bailout huge banks like Chase Manhattan, Citicorp, BankAmerica and J.P. Morgan who made huge profits investing in Asia. If these banks want to invest in Asia, that's their business. But the taxpayers of this country should not be asked to provide billions of dollars for them when their loans and investments go sour.

Further, I have deep concerns about the "structural adjustment" programs which are forced upon the developing countries that accept IMF loans. In country after country, governments are forced to cut back on health care, education, and food and fuel subsidies. As a result, some of the poorest people in the world are made even poorer.

I am proud to report that with the support of like-minded colleagues, I was able to pass several amendments in the House Banking Committee which stipulate that the taxpayers of this country should not be bailing out large, profitable banks who lost money in foreign investments, and that call for the vigorous enforcement of workers rights in recipient countries.

BEWARE THE MAI

You may not have heard of it— and that's the way corporate America would prefer it— but there is an international trade proposal being negotiated in secret that would give trans-national corporations sweeping new rights in the "New World Order". Among other things, the Multilateral Agreement on Investment (MAI) would allow corporations to overrule decision-making by democratically elected legislatures. In other words, the citizens of a given country would literally be unable to protect their own labor, environmental, or agricultural interests if they were in opposition to the economic needs of foreign investors.

MAI has been called "NAFTA on steroids, and *Business Week* calls it the most explosive trade deal you've never heard of. It's a NAFTA of global proportions that would open all economic sectors to foreign ownership; remove all restrictions on movement of capital; force states, counties, cities, and towns to comply with the MAI; hold taxpayers responsible for compensating corporations for profits lost as a result of strife— boycotts, public protests, strikes, etc.

Under MAI, worker protection laws, including the minimum wage, could be challenged as imposing a cost of business that threatens investment. No longer could governments restrict or ban investments that violate human or workers rights. This proposal, if enacted, would be a disaster of colossal proportions. I intend to play an active role in defeating it.

LABOR LEGISLATION IN THE 105TH CONGRESS

ANTI-LABOR LEGISLATION

The so called “Paycheck Protection Act” (H.R. 1625 & H.R. 2608) would attempt to obtain yearly written consent from every member of a union before even one cent of that member’s dues could be spent for “political” purposes. At a time when corporate interests contribute seven times more money into the political process than labor unions, the legislation would make it even harder for workers needs to be protected. One of the great crises that exists in the political life of this country today is the enormous degree to which Big Money dominates the electoral process. The so-called “Paycheck Protection Act” would only make a bad situation worse. Now that the labor movement has more effectively advocated for workers- as evidenced by the defeat of Fast Track— corporate america would like to neutralize the voice of labor.

The “Comp Time Bill” (H.R. 1) would effectively eliminate “paid overtime” for many workers, and could significantly lower a worker’s take-home pay. Under this proposed legislation, management would be able to dictate when workers could use accrued comp time, forcing them to take the time off when it would be most convenient for the employer, not when workers genuinely needed the extra time off.

The mis-named “Team Act” (H.R. 634) would permit employers to establish company unions, pay all of their expenses, handpick the employees who would “represent” the work force, and then deal with these unelected puppets as if they were a legitimate voice of workers. This legislation would go a long way to undermine the role that unions play in representing their membership.

The so-called “Safety and Health Improvements and Regulatory Reform Act” (H.R. 2579) would weaken OSHA’s powers to enforce basic occupational safety and health laws. At a time when the United States has one of the worst records of worker safety in the industrialized world and when thousands of American workers are killed, injured, and made sick on the job, we must make certain that workers’ health needs are better protected, not undermined.

PRO-LABOR INITIATIVES

The Minimum Wage Increase Bill (H.R. 3510), which I am co-sponsoring, would raise the minimum wage from \$5.15 an hour to \$6.15. At a time when millions of employees are working 40 hours a week and still living in poverty, and when the purchasing power of the minimum wage today is substantially below what it was 20 years ago, it is imperative that we have a national minimum wage which guarantees all Americans a minimal standard of living.



The Workplace Democracy Act (H.R. 2012) , which I introduced, would overhaul the National Labor Relations Act and make it easier for workers to form a union and negotiate in good faith with their employers.. Today, many workers who would like to join a union or benefit from a union contract are unable to do so because of the strong pro-employer nature of the National Labor Relations Act.

The Clean Money, Clean Elections Act (H.R. 2199), which I am co-sponsoring, would fundamentally change the nation’s campaign finance reform laws and substantially reduce the power that Big Money and millionaires have over our political system. At a time when corporate America contributes huge sums of money to both political parties and to candidates, and when the richest one-quarter of one-percent of citizens make over 80% of campaign donations, it is imperative that we make major changes to our campaign finance laws, so that ordinary people are represented in Congress, and not just the wealthy.

The Come Home Corporate America Act (H.R. 2069), which I introduced, would abolish various special interest tax loopholes and subsidies that reward U.S. multinational corporations for investing and creating jobs overseas. At a time when we have a huge trade deficit, and have lost millions of decent paying manufacturing jobs as companies move abroad, it is absurd that taxpayers help subsidize the loss of their own jobs. This legislation helps to create policy by which American companies re-invest in this country, and not abroad.

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IN THIS ISSUE...

- * A Letter From Bernie
- *The American Worker In
The Global Economy
- * Labor Legislation in The
105th Congress
- * A Child Labor Victory

** If you receive more than one copy of this newsletter we apologize. Please feel free to pass the extra copy along to an interested friend. **

** This mailing was prepared, published, and mailed at taxpayer expense. **

SOCIAL SECURITY IN CRISIS?— NOT!

Social Security, established in 1935, is one of the strongest and most important federal programs in existence. Because of Social Security, tens of thousands of Vermont senior citizens, and millions of elderly Americans, are able to live out their lives with some degree of economic security. **We must do everything we can to strengthen Social Security, and make certain that it is there not only for senior citizens today - but for all future generations.**

Unfortunately, there are politicians in Washington, Wall Street speculators and right wing think tanks who are working hard to undermine the Social Security system by trying to make Americans believe that there is a “crisis” in Social Security, and that the only way to save it is to “privatize” it. Nothing could be further from the truth.

The fact of the matter is that the Social Security system today is extremely strong, and will remain financially solvent long into the future. This year, Social Security is running a **surplus** of \$80 billion. **The Social Security Trust Fund currently contains over \$500 billion and, if Congress does nothing, would be able to pay out all benefits to every eligible man, woman and child for the next 33 years - until 2031.**

While there is no crisis in Social Security today, we should begin working now to develop the relatively minor adjustments that we will need in order to make certain that we avoid any problems in the years to come when there will be fewer workers to support an aging population.

CHILD LABOR VICTORY

I am very proud that my legislation banning the importation of any products made by forced or indentured child labor is now the law of the land.

Incredible as it seems, over 15 million children— most in South Asia and some as young as four years old— are sold to manufacturers by their poor parents. The children, who often work for rug makers and in brick and match factories, are sometimes chained to prevent their escape. The passage of my bill means that the U.S. Customs must take measures to insure that products imported in to the United States will not be made by bonded child laborers.